

March 16, 2005

## **ATTORNEY GENERAL OBTAINS JUDGMENT IN GOVERNMENT GRANT SCAM**

BISMARCK – Attorney General Wayne Stenehjem recently secured a \$95,422 judgment in Burleigh county district court against Consumer Grants USA, Inc., Ultimate Funding Plus, Inc., Ultimate Funding, Inc., Customer Care Plus, Inc. and James T. Lovern, for multiple violations of the Do Not Call Law, Consumer Fraud Law and a Cease and Desist Order.

The businesses had called North Dakota consumers, promising those who paid a "processing fee" of \$239 would receive grants of \$8,000 to \$25,000. Lovern, who controlled the corporations, was found personally liable for the conduct of his businesses. "In North Dakota, wrongdoers will not be allowed to hide behind corporations. Where circumstances warrant, we will pursue officers and directors individually," said Stenehjem.

In addition to the monetary judgment, the Florida companies are barred from doing business in North Dakota and are required to provide restitution to North Dakota victims of the scam.

"Government grant scams are very popular and, unfortunately, continue to find victims," said Stenehjem. "Around tax season we see a big increase in these fraudulent grant programs. Consumers should never give these con artists bank account or other personal information; in fact, just hang up on telemarketers offering government grants," he cautioned.

North Dakota was at the forefront of pursuing the Consumer Grants defendants. Several other states are now pursuing lawsuits or investigations of their own. Assistant attorney general James Thomas of the Consumer Protection division handled the case in North Dakota.

Consumers who have been solicited by these businesses, or by other services offering government grants, should contact the Attorney General's Consumer Protection Division toll-free at 1-800-472-2600 or 701-328-3404.

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